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National Tea Co.

ANNUAL REPORT

For the Year Ending
December 31, 1923

STATISTICS
OTIS & CO.
NOT TO BE TAKEN AWAY

Chicago, Ill., March 21st, 1924

1000 CROSBY STREET, CHICAGO, ILL.

March 21st, 1924.

To the Stockholders of the National Tea Co.

Dear Sir or Madam:

It gives me great pleasure to report to you on the results of the National Tea Co. for the year 1923, and you will notice from the financial statement presented herewith that our net profits after deducting Federal Taxes amounted to $1,088,893.45 or $131,484.78 in excess of the year 1922. Our business continues to grow rapidly as evidenced by the fact that our stores in operation at December 31, 1923, totaled 514 or 219 more than a year ago. Our sales reached the record total of $31,292,239.41, an increase of 51% over the year 1922.

On July 1, 1919, when the Company first issued Preferred Stock, $1,500,000.00 was authorized and $1,000,000.00 issued, of which $100,000.00 was retired and canceled in accordance with the Sinking Fund Provisions during 1922. Due to the conservative management of the Company, no further capital was required until December 31, 1923, when $200,000.00 additional Preferred Stock was issued to meet the rapid growth during the year.

The figures as set forth in this folder convey to you without further comment, the splendid results of our business for 1923. I desire, however, to call your attention to the fact that many of the new stores opened last year naturally did not contribute their full quota to the net results, first because they operated only part of the year and also because it usually takes a month or two before a new store gets into its proper stride.

The current year should see the full benefit of these many additional units and this, with the additional facilities of our new warehouse and bread bakery, makes us confident that the year 1924 will be at least equally gratifying.

Yours very truly,

GEO. RASMUSSEN, President.

BALANCE SHEET, DECEMBER, 31, 1923

ASSETS

PROPERTIES (at book values less depreciation)—			
Land and Buildings		$1,596,929.15	
Machinery and Fixtures		1,183,074.02	
Automobiles, Horses, Wagons, etc.		221,123.90	
Sundry Equipment		17,121.37	$ 3,018,248.44
GOODWILL			2,063,318.24
TREASURY STOCK—Common			125,231.00
CURRENT ASSETS—			
Inventories of Merchandise and Supplies On Hand and in Transit		$3,384,335.68	
Accounts and Notes Receivable	$351,109.05		
Less Reserve for Bad and Doubtful Accounts	15,350,08	335,758.97	
Mortgages Receivable		79,158.00	
Employees' Liability on Stock Purchases		151,578.59	
Investments—			
National Tea Company, Minneapolis		60,000.00	
Cash on Hand and in Banks		417,242.25	
Total Current Assets			4,428,073.49
INVESTMENTS—			
National Tea Co., Preferred Stock			13,039.50
DEFERRED CHARGES—			
Premiums Advanced to Customers—Proportion Unearned—(Less Reserves)—Prepaid Taxes, Insurance, Rents, etc.			107,156.22
REORGANIZATION EXPENSE (Less Proportion Written Off)			95,150.00
			$ 9,850,216.89

LIABILITIES

PURCHASE MONEY OBLIGATIONS			$ 224,350.00
CURRENT LIABILITIES—			
Notes Payable		$ 869,500.00	
Accounts Payable—			
Current	$1,447,175.06		
Payroll and Commissions	86,563.89		
Interest and Taxes	99,355.49		
Employees' Deposits	9,821.08		
Dividends Accrued and Unpaid	17,753.66		
Estimated Provision for Federal Taxes	162,491.59	1,823,160.77	
Total Current Liabilities			2,692,660.77
RESERVES—			
Insurance		$ 17,265.70	
Estimated Liability on Coupons Outstanding		3,215.59	20,481.29
PROFIT ON REDEMPTION OF PREFERRED STOCK PURCHASED FOR SINKING FUND—DEFERRED			14,497.25
DEFERRED CREDIT TO INCOME—RENT RECEIVED IN ADVANCE			306.53
PREFERRED STOCK 7 PER CENT CUMULATIVE—			
Authorized 14,000 Shares of $100.00 each		$1,400,000.00	
Issued 11,000 Shares of $100.00 each			1,100,000.00
COMMON STOCK—			
Represented by 20,000 Shares of no par value			887,139.20
SURPLUS—			
Appropriated for Redemption of Preferred Stock		$ 125,833.33	
Unappropriated		4,784,948.52	4,910,781.85
			$ 9,850,216.89

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INCOME AND SURPLUS ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1923

Sales		$31,292,239.41
Net Operating Profit		$ 1,244,386.81
Estimated Federal Taxes		155,493.36
Net Profit after deducting Federal Taxes		$ 1,088,893.45
Surplus as at January 1, 1923		1,934,324.82
Capital Surplus		2,000,000.00
		$5,023,218.27
Less Sinking Fund Provision	$ 55,000.00	
Provision for 1917 Additional Federal Taxes	5,541.59	
Preferred Stock Dividends	64,632.16	
Common Stock Dividends	113,096.00	$ 238,269.75
Unappropriated Surplus as per Balance Sheet		$ 4,784,948.52